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S E C R E T SECTION 01 OF 03 BAGHDAD 000831

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SUBJECT: AMBASSADOR AND PM: NEIGHBORS CONFERENCE, SAUDI

AGENDA, KURDISTAN TRIP

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Classified By: Ambassador Zalmay Khalilzad for reasons 1.4 (b) and (d).

- $\P1$ . (S) SUMMARY. In a March 6 meeting, the Ambassador and PM discussed the March 10 Neighbor's Conference, including expected outcomes and working groups focusing on border security, fuel and electricity imports, and Iraqi refugees. The Ambassador suggested reaching out to participating countries such as Saudi Arabia and Iran prior to the conference so that delegates empowered to issue either a joint statement or make decisions concerning a follow-on ministerial level conference. The PM discussed his concerns that Saudi Arabia continues to work against the GOI, citing intelligence reports suggesting Saudi Arabia supports forming a new government. The Ambassador briefed the PM on his March 1-3 trip to Kurdistan. On de-Baathification reform, the PM emphasized his commitment to legislation that would facilitate reconciliation. He stated that while he does not have the legal authority to suspend the current De-Baathification Commission's activities, he is not moving forward with de-Baathification orders. The Ambassador urged his support for compromise legislation put forward by the Presidency Council.
- 12. (S) SUMMARY CONTINUED. The Ambassador asked the PM about his intentions with the popular mobilization committees created as part of the Baghdad Security Plan and led by Ahmed Chalabi. The PM responded that Chalabi has a limited mandate and limited funding and that he will not allow Chalabi to turn these committees into militias. Turning to an anticipated cabinet reshuffle, the PM stated that Tawafuq (Sunni coalition) wants to change the Minister of Defense, although the PM does not support this due to operational issues with the Baghdad Security Plan. The Ambassador noted that former CoR speaker Hajim al-Hassani (Iraqiyya) wants a ministerial assignment; the PM responded that if he returns to Tawafuq he would be a viable candidate to replace Salam Zuba'i as Deputy Prime Minister. Finally, the PM criticized the Basra operation against a Ministry of Interior building, saying it "violated" Iraq's sovereignty and occurred without proper coordination. END SUMMARY.

THE NEIGHBOR'S CONFERNECE: DESIRED OUTCOMES, NEXT STEPS

13. (C) The Ambassador began the meeting by offering any and all assistance required to ensure the Neighbor's Conference succeeds. The PM replied that General Abboud has been given clear orders to ensure the conference is secure and that he is coordinating this with MNF-I. The PM stated that Foreign Minister Hoshyar Zebari, who returned to Baghdad earlier on March 6, had briefed him meetings in Egypt during which these discussions occurred. The Ambassador suggested that if the PM still intends to open the conference, his remarks could "set the tone" of the conference and identify "clear themes."

"What kind of assistance do you want from your neighbors?" the Ambassador asked, further suggesting that the PM identify these areas in his remarks so that the delegates can then discuss them throughout the conference.

- 14. (C) It might be productive, the Ambassador continued, to use the conference to establish working groups on issues such as border security, fuel imports and Iraqi refugees. The PM agreed and commented that he had already begun working on his comments. The PM agreed that working groups or follow-on committees would fit with the conference's theme of working together to assist Iraq as opposed to finding solutions "to be imposed on Iraq." He added that it might be more beneficial to focus one working group not only on fuel imports but also electricity supplies.
- 15. (C) The Ambassador asked whether the conference might produce a joint statement to which the PM replied that the delegates may not be authorized to issue such a statement on behalf of their governments. This is why, the Ambassador noted, the GOI should begin engaging prior to the conference so that the delegates can support an announcement about the follow-on ministerial conference. The Foreign Minister, the PM said, wants the follow-on conference held in Baghdad while others, including Egypt and Turkey, want the ministerial conference outside of Iraq. Because neighboring countries are still looking to compel solutions on Iraq instead of supporting and assisting the GOI it is critical that the ministerial conference's location and agenda are carefully considered.

AGAINST THE GOI: PM DICUSSES CONCERNS ABOUT SAUDI ARABIA

16. (S) The PM expressed concern that some conference participants, particularly Saudi Arabia, are actively working

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against the PM and the Iraqi government by advocating new leadership. According to the PM, King Abdullah told U.S. Secretary of Defense Gates that a troika consisting of Naseer

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al-Obeidi (Shia), Saadi Bazinji (Kurdish) and Mohammed al-Shehwani (Sunni) should lead a new Iraqi qovernment. Ambassador questioned the credibility of this intelligence reporting stating that while Saudi officials have expressed disappointment with the situation in Iraq they have not articulated a plan such as this. The PM agreed that the report is questionable, stating that analysts believe the information might have originated on a French website. He further acknowledged that Iraq's own intelligence analysts report continued USG support for Maliki's government. However, the PM cautioned, it is impossible to "fully ignore" the report since another source close to the Saudi royal family corroborates the information. The PM noted that he wants to strengthen his relationship with the Saudis, saying the Iraqis have been honest and have assured them of their shared concern about Iran. "We are afraid of Iran as well," the PM said, "and we have conveyed that Iraq is not an extension of Iran, but a barrier to Iran." The Saudis, however, continue to believe that more Sunnis are dying in Iraq while other GOI leaders believe there are more Shia victims. In the end, the PM concluded, the victims "are all Iraqi.

17. (S) The PM stated that if President Talabani is unable to attend the March 28 Arab League summit in Saudi Arabia then he "would like to go in his place." The Ambassador supported this idea, saying he had raised the idea with Talabani. Talabani has refused. The Ambassador further offered to facilitate a meeting bringing Saudi King Abdullah and Maliki together. The PM responded that he wants to improve relations with Saudi Arabia but does not want to be away from Baghdad for a long period during this critical time. For

this reason, he said, a quick trip to Riyadh for the Arab League conference or subsequently could offer the best timing and a chance to strengthen relations.

TRIP TO KURDISTAN: CLARIFYING MISLEADING PRESS REPORTS

- 18. (C) The Ambassador briefed the PM on his March 1-3 trip to Kurdistan. The PM replied that he had been very concerned about press statements made by Iraqiyya CoR member Osama al-Najafi following the trip which stated that the Ambassador supported Allawi's efforts to form a new front. The Ambassador refuted these claims, stating that the political discussions which occurred focused on encouraging Allawi to "stay in Iraq and support the GOI and the BSP." The Ambassador said he questioned Allawi about recent statements against the government and suggested that Allawi should discuss his concerns with Maliki instead of running to other Arab countries. "What can they do to help?" the Ambassador asked, and "how can Allawi be both in and out of the government at the same time?" The Ambassador then said he received a copy of Allawi's letter to the PM outlining his concerns. The PM responded that he has not yet seen a copy of the letter but would be willing to sit down with Allawi and discuss it.
- 19. (C) The Ambassador stated that during the discussions Barzani offered to host the PM and other GOI leaders, including Abdulaziz al-Hakim, in Erbil. The Ambassador said he raised this offer in a March 6 meeting with al-Hakim (septel) as well. The PM said he would convene the Policy Council for National Security (PCNS) and discuss whether a retreat would be beneficial.

DE-BAATHIFICATION LEGISLATION: A COMPROMISE MOVING FORWARD

110. (C) In response to the Ambassador's question about the PM's support for de-Baathification legislation, the PM stated that his opinion "differs" from Ahmed Chalabi, chairman of the de-Baathification Commission. The PM emphasized his desire that the future law support and facilitate reconciliation. The PM encouraged continued engagement with the CoR Committee on de-Baathification, which would be responsible for bringing forward new legislation, and offered to go to CoR to share his opinions. Those who committed crimes should be brought to justice, the PM explained, while those who are innocent should not be punished. The current process has protected criminals from prosecution while at the same time preventing those who did not commit crimes from participating in the government.

11. (S) The Ambassador stated that the Presidency Council has recently put forward a new draft which combines the best elements from other draft legislation submitted by the Iraqi

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Islamic Party (IIP), Iraqiyya, and the deputy Governor from Salah ad Din. While the legislation is being debated, the Ambassador asked, would it be possible for the PM to suspend the de-Baathification Commission's work? The PM replied that he does not "have the authority to do so," but that operationally he has asked the executive branch to stop signing de-Baathification orders. "I am trying to bring people back," the PM emphasized, but it is not legally possible to suspend the Commission.

CHALABI AND BSP'S POPULAR MOBILIZATION COMMITTEES

112. (S) The Ambassador asked the PM about the popular mobilization committees developed through the Baghdad Security Plan and led by Ahmed Chalabi. There have been

complaints, the Ambassador said, from local leaders that these committees have become militias. The PM responded that he refused to cooperate with Chalabi when he heard that Chalabi used these committees as such. These committees, the PM continued, have a limited mandate and limited funding. They should not be used to create "institutions" but rather "results-based" operations, he said, that work towards the Baghdad Security Plan's larger goals. The PM noted that he has asked Naseer al-Ani (Sunni, IIP), the co-chair for the Popular Mobilization Committees, to oversee them so as to prevent Chalabi from using them as militias.

CABINET CHANGES: AL-HASSANI AS DPM? TAWAFUQ WANTS NEW MOD

113. (S) The PM then stated that Tawafuq has yet to submit names for new Ministers to their cabinet positions. "They want to change the Minister of Defense (MoD)," the PM said, but this is not right time to do that. Iraqiyya put forward a few names for Minister of Justice. The PM said he wanted Wael Abdullatif al-Fadel, also from Iraqiyya, to become Minister of Justice. But the PM was uncertain whether Allawi would agree. The Ambassador said that former CoR speaker Hajim al-Hassani (Iraqiyya) wants a cabinet position. The PM replied that if he returns to Tawafuq then he would be a viable replacement for Deputy Prime Minister Salam Zuba'i.

VIOLATING IRAQ'S SOVEREIGNTY: THE BASRA INCIDENT

114. (S) The Ambassador raised a recent joint MNF-I and Iraqi Security Forces (ISF) operation against a Ministry of Interior (MoI) building in Basra. The PM responded that this incident had not been properly coordinated and that Iraq's sovereignty and institutions should not be continuously violated. The British "could have informed us," the PM said asserting that Basra does not respect the Iraqi government because the British do not respect the government. Furthermore, the PM said, the British claimed they received permission before conducting the operation, yet the Iraqi special forces did not participate "because they did not have orders" from the PM. An investigation has been started, he said, and until it is completed "the ISF will stop coordination and cooperation" with the British in Basra. The Ambassador agreed that coordinating with the GOI is critical and offered cooperation in the investigation.